GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1968
ANSWERED ON:28.11.2016
Promotion of Khadi
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Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the details of the schemes being implemented and funds allocated by the Government for promotion of Indian khadi industry during each of the last three years and the current year, State/UT-wise;

(b) whether the sale of khadi products has increased during the said period, if so, the details thereof;

(c) whether the Government proposes to open khadi outlets in foreign countries, if so, the details thereof, country-wise; and

(d) the other steps taken/proposed to be taken by the Government to add up new khadi products and create more employment opportunities in the khadi sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): The following schemes/programmes are being implemented for development of Khadi:
(i) Market Promotion Development Assistance (MPDA) - Government has introduced w.e.f 01.04.2010, a flexible, growth stimulating and artisan oriented Market Development Assistance (MDA) Scheme, in place of the erstwhile system of Rebate. This scheme has been modified as Market Promotion Development Assistance (MPDA) merging different schemes/ sub-schemes/ components of different Heads implemented in the 11th Plan, namely, Market Development Assistance, Publicity, Marketing and Market Promotion. A new component of Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing reach of Khadi & VI products. Under the modified MPDA scheme, financial assistance is distributed amongst Artisans (40%), Producing Institutions (40%) and Selling Institutions (20%), which will help the Artisans and Khadi Institutions thus resulting in the development of Khadi in the country. Funds released to KVIC under this scheme during last three years and current year is given below:

(Rs. in crore)
<pre>
Year R.E. Funds released
2013-14 139.80 126.94
2014-15 201.83 196.94
2015-16 148.40 147.48
2016-17 (BE) 341.63 312.17*
</pre>
*Upto 31.10.2016
ii) Interest Subsidy Eligibility Certificate (ISEC) scheme was introduced in May 1977 to mobilize funds from banking institutions for filling the gap between the actual fund requirements and availability of funds from budgetary sources to meet the working capital demand. Under the Scheme, credit at the concessional rate of interest is made available. The institution is required to pay only 4% and interest charged by banks over 4% will be paid by Central Government through KVIC. Funds released to KVIC under this scheme during last three years and current year is given below:
(Rs. in crore)
<pre>
Year R.E. Funds released
2013-14 29.00 23.24
2014-15 40.63 38.32
2015-16 40.07 40.07
2016-17 (BE) 49.50 48.94*
</pre>
*Upto 31.10.2016
iii) Workshed Scheme for Khadi Artisans was introduced in 2008-09 for providing financial assistance for construction of worksheds to khadi artisans belonging to BPL category through the khadi institutions with which the khadi artisans are associated. The maximum quantum of assistance for individual workshed is Rs.60,000 and for the Group Workshed is Rs.40,000 per capita. Funds released to KVIC under this scheme during last three years and current year is given below:
<pre>
Year B.E.
</pre>

(Rs. in crore) Funds released
(Rs. in crore) Physical
(No. of Artisans)
2013-14 20 8.23 1950
2014-15 20 15.24 4324
2015-16 8.6 8.22 #1100
2016-17 20.00 19.94* #3333
</pre>
*Upto 31.10.2016 # Targets
iv) Scheme for Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure: Under the scheme, financial assistance is provided to existing weak Khadi institutions for strengthening of their infrastructure and for renovation of selected khadi sales outlets. In order to facilitate the need-based support towards the Khadi sector for nursing the sick/problematic institutions elevated from "D" to "C" category as well as those whose production, sales and employment have been declining while they have potential to attain normalcy and to support creation of marketing infrastructure in other identified outlets.

Funds released to KVIC under this scheme during last three years and current year is given below:
<pre>
Year B.E.
(Rs. in crore) Funds released
(Rs. in crore) KIs Assisted (Nos.)
2013-14 7.5 1.15 4
2014-15 7.5 4.33 43
2015-16 2.2 2.12 #53
2016-17 8.5 5.99* #50
</pre>
*Upto 31.10.2016 # Targets
Funds are not released State-wise as the above schemes of the Ministry are Central Sector Schemes. Funds are released to KVIC only.

(b): Yes Madam, the sale of Khadi products has increased during the said period, which is given in the following table:
<pre>
Year Sales (Rs. in crore)
Khadi % incr.
2013-14 1081.04 5.82
2014-15 1170.38 8.26
2015-16 1510 29.02
</pre>

(c): There is no such proposal for opening of khadi outlets in foreign countries.

(d): The other steps taken/proposed to be taken by the Government:
1. Khadi and Village Industries Commission (KVIC) has set up interfaces with leading technological institutes to conduct research work under S&T programme of KVIC for development of tools, implements and processes involved in production of Khadi.
2. The following steps have been taken to boost the export of Khadi and Village Industries product:
i) Participation in domestic exhibitions at District, State and National levels wherein KVIs are allowed to participate and market their products.
ii) Assistance would be provided under the MPDA Scheme to the eligible KVI Institutions for participation in International Exhibitions/Trade Fairs held in foreign countries in order to showcase KVI products to foreign countries, access international buyers and sellers and forge business alliances, etc.
iii) Organizing Export promotion workshops.
iv) KVIC has been given the status of 'Deemed Export Promotion Council', under which it has already registered more than 900 exporters.
3. Export incentive of 5% of Freight On Board (FOB) value of direct export of Khadi products is provided to KVI institutions/units registered with KVIC. Besides, KVIC has also been focusing on quality participation in International Exhibitions and Buyer-Seller Meets abroad to tap new/emerging markets for Khadi products.
4. KVIC has applied to register "Khadi" as a word mark and "Khadi India" as a Trade mark in 27 classes for various products among 45 classes listed out in the Intellectual Property Rights Act at National Level as well as has filed an online application for registering "Khadi" as a trade mark under International bureau in European Union and other countries under 16 different class.
5. KVIC has roped in designers and started making readymade garments, including jeans and T-shirts, making the products more popular among the youth.